

AMENDED IN SENATE MAY 2, 2007  
AMENDED IN SENATE APRIL 9, 2007

**SENATE BILL**

**No. 558**

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**Introduced by Senator Cogdill**

February 22, 2007

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An act relating to ~~local government~~ *public utilities*.

LEGISLATIVE COUNSEL'S DIGEST

SB 558, as amended, Cogdill. ~~Local government: the City of Fresno.~~  
*Public utilities: lease, sale, or transfer of public utilities.*

*Existing law sets forth the procedures by which a municipal corporation, as defined, may lease, sell, or transfer a public utility owned and operated by it. Existing law, the Cortese-Knox-Herzberg Act Local Government Reorganization Act, prescribes requirements for the orderly transition of a reorganization in governmental facilities and finances.*

*This bill would express the findings and declarations of the Legislature that these procedures do not apply to the lease, sale, or transfer of public utilities by a municipal corporation to another local agency pursuant to the act.*

~~Existing law, the Municipal Water District Law of 1911, authorizes local governments, under specified circumstances, to establish water districts to provide and finance water services.~~

~~This bill would authorize the City of Fresno to establish the Fresno Municipal Water District, and would authorize the voters of the City of Fresno, and the voters of affected residents and businesses outside of the City of Fresno who receive services from the City of Fresno Department of Public Utilities, until January 1, 2013, to establish, at a regularly scheduled general election, the Fresno Municipal Water~~

District, as specified. The bill would require the Fresno Department of Public Utilities, if the city council and the voters adopt such a measure, to transfer all assets, rights, liabilities, and limitations of the Department of Public Utilities to the Fresno Municipal Water District, and would authorize the Fresno Municipal Water District Board to manage the Fresno Municipal Water District and authorize the issuance of bonds.

The bill would also make legislative findings and declarations as to the necessity of a special statute.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. The Legislature finds and declares that Article 2*  
2     *(commencing with Section 10051) of Chapter 1 of Division 5 of*  
3     *the Public Utilities Code does not apply to the lease, sale, or*  
4     *transfer of public utilities by a municipal corporation to another*  
5     *local agency pursuant to the Cortese-Knox-Hertzberg Local*  
6     *Government Reorganization Act (Division 3 (commencing with*  
7     *Section 56000) of Part 3 of Division 2 of Title 5 of the Government*  
8     *Code). The Legislature further finds and declares that this act is*  
9     *declaratory of existing law.*

10    ~~SECTION 1. (a) (1) The City of Fresno shall transfer all~~  
11    ~~assets, rights, liabilities, and limitations of the Department of Public~~  
12    ~~Utilities to the Fresno Municipal Water District which shall be~~  
13    ~~formed pursuant to the Municipal Water District Law of 1911~~  
14    ~~(Division 20 (commencing with Section 71000) of the Water~~  
15    ~~Code).~~

16    ~~(2) No local agency, other than the Fresno Municipal Water~~  
17    ~~District Board, shall have the authority to issue bonds for the~~  
18    ~~purposes of funding the operation of the Fresno Municipal Water~~  
19    ~~District.~~

20    ~~(b) This section shall only become operative if both of the~~  
21    ~~following occur:~~

22    ~~(1) The city council of the City of Fresno passes a resolution to~~  
23    ~~establish the Fresno Municipal Water District to supersede the~~  
24    ~~functions of the Fresno Department of Public Utilities, including~~  
25    ~~the provisions of water, wastewater, and solid waste services.~~

26    ~~(2) A majority of votes cast at a regularly scheduled general~~  
27    ~~election by the voters of the City of Fresno, and the voters of any~~

1 affected residents and businesses outside of the City of Fresno  
2 who receive services from the City of Fresno Department of Public  
3 Utilities, are in favor of creating the Fresno Municipal Water  
4 District.

5 (e) This section shall become inoperative on January 1, 2013,  
6 and is repealed as of that date, if the Fresno Municipal Water  
7 District is not established on or before that date, or unless a later  
8 enacted statute extends that date. If the Fresno Municipal Water  
9 District is established prior to January 1, 2013, this section shall  
10 continue to be operative.

11 SEC. 2. The Legislature finds and declares that there are unique  
12 circumstances concerning the need for a municipal water district  
13 in the City of Fresno necessitating the enactment of the procedures  
14 contained in this act. It is therefore declared that a general law  
15 cannot be made applicable within the meaning of Section 16 of  
16 Article IV of the Constitution, and that the enactment of this act  
17 as a special law is necessary.